UNITED
NATIONS

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Economic and Social Council

Distr.
GENERAL

E/CN.3/1994/9
2 March 1994

ORIGINAL: ENGLISH

STATISTICAL COMMISSION
Special session
11-15 April 1994
Item 3 of the provisional agenda*

STRENGTHENING INTERNATIONAL STATISTICAL COOPERATION

Inter-Agency Task Force on Price Statistics including the International Comparison Programme (ICP)

Note by the Secretary-General

The Secretary-General has the honour to transmit to the Statistical Commission the report of the Inter-Agency Task Force on Price Statistics including the International Comparison Programme (ICP) (Convenor: Statistical Office of the European Communities (Eurostat)), which is contained in the annex. The report is transmitted to the Commission in accordance with a request of its Working Group on International Statistical Programmes and Coordination at its sixteenth session (Geneva, 13-16 September 1993) (E/CN.3/1994/2, para. 11).

* E/CN.3/1994/1.

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Annex

REPORT OF THE TASK FORCE ON PRICE STATISTICS INCLUDING THE INTERNATIONAL COMPARISON PROGRAMME (ICP)

1. The Inter-Agency Task Force on Price Statistics including the International Comparison Programme (ICP) met at Geneva on 28 October 1993 for the first time since the sixteenth session of the Working Group on International Statistical Programmes and Coordination. That venue was chosen because it provided an opportunity for most of the agencies concerned to be present while attending a conference on consumer price indices (CPIs) sponsored jointly by the United Nations and the International Labour Organization (ILO) (see paras. 8 and 9 below for the logistics of future meetings).

2. Earlier in 1993, Eurostat had circulated a questionnaire concerning the involvement of a number of international agencies in the field of consumer price statistics. Replies had been received from the Statistical Division of the United Nations Secretariat (UNSTAT), the Economic Commission for Europe (ECE), the Organisation for Economic Cooperation and Development (OECD), ILO, the International Monetary Fund (IMF), the World Bank, the International Statistical Institute (ISI), the Food and Agriculture Organization of the United Nations (FAO), the Economic Commission for Africa (ECA) and Eurostat. The replies had been analysed by Eurostat and a summary had been made available to the Working Group at its sixteenth session. That exercise had provided a useful factual basis in respect of world-wide activity in collecting, analysing and disseminating national CPIs. It seemed clear that much could be done to improve the coordination of CPI work around the world.

3. Eurostat had earlier taken the view that the global coordination of the ICP was restricted to a relatively small group of central and regional organizers, and that the various aspects of its organization which were referred to in the terms of reference of the Task Force were already well covered. However, it became apparent at the first meeting of the Task Force that there appeared to be no mechanism currently available for carrying out objective appraisals and evaluations of the ICP in general. The Task Force felt that its own establishment, although not permanent, could provide just such a mechanism; coming at an early stage of the 1993 ICP round, its timing was opportune.

4. The Task Force strongly supported the continued existence and indeed the expansion of the ICP, on the grounds that it was a unique source of data not only for international price comparisons but also and more importantly for making international GDP comparisons in real terms. Such international price comparisons were becoming even more essential, given the increasing levels of international economic cooperation (European Community (EC), European Free Trade Association (EFTA), European Economic Area (EEA), North American Free Trade Agreement (NAFTA) etc.) and also given the growing importance of planning technical assistance for developing countries.

5. A particular feature of the ICP was its potentially close relationship with national CPIs; indeed, one of the justifications for including developing countries in the ICP was the beneficial effect it could have on improving

countries' statistical infrastructure, notably in the fields of CPIs and national accounts.

6. The Task Force believed that that connection between the ICP and national CPIs was currently underplayed. It felt that the Task Force itself could act as a stimulant in opening up and establishing permanent links between the ICP and national CPIs. The latter - at least in the developed countries - had become institutionalized and were widely regarded as core economic indicators; they were hence relatively well provided for. It therefore appeared sensible to attempt to link the ICP operationally as closely as possible to CPIs. Again, no mechanism currently existed for enabling that type of linkage to be established, and the Task Force felt that it could have a valuable role to play in that respect.

7. The Task Force discussed the question of whether its mandate was intended to cover only consumer prices or whether its terms of reference went further - for example to producer prices. Several members felt that it would make sense to have such a wider coverage, although the Task Force as a whole felt that the main priority lay with CPIs. The advice of the Working Group on that point would be sought. It should be borne in mind, however, that the extension to producer prices or other price series, such as export prices, would greatly extend the field of the Task Force, requiring a much wider expert involvement, and would be likely to slow down its work considerably.

8. In view of the responsibility of the Task Force for evaluating the ICP, an examination of the possibilities for linkages between CPIs and the ICP would be useful. For that purpose, a strengthened input from the regional commissions seemed essential (the regional organizations were responsible for the regional ICP comparison). For the first meeting, no invitations had been sent to the regional commissions (except for ECE, which had provided the venue), which only added to a serious logistical difficulty ahead, namely, how to obtain resources for holding future Task Force meetings. Although opportunities such as the convening of the above-mentioned conference on CPIs, which most of the organizations and bodies concerned had attended, would continued to be sought, it would not always be possible to find them. The Statistical Commission and other bodies concerned therefore needed to consider what provision could be made for the future meetings of the Task Force.

9. Members were asked to provide the Convenor before the next Task Force meeting was held (a date was planned for early April 1994) with memoranda outlining their agency's general mission, where appropriate, and how it perceived its own organizational objectives in respect of CPIs and the ICP. Further elaboration in writing of the views expressed at the first meeting were requested and would serve as a basis for drawing up a programme of work for the Task Force.

10. Finally, concerning the various matters on which the Working Group had requested the inter-agency task forces to deliberate, the Task Force concluded as follows:

(a) Perception of mandate:

(i) To improve coordination of world-wide CPI work;

(ii) To provide objective appraisal and evaluation of the ICP;

(iii) An opportunity existed for establishing better linkages between the ICP and national CPIs;

(iv) The mandate might be extended to include producer price indices and other price indices.

(b) Evaluation of Task Force's methods:

(i) Potential membership agreed, including all five regional commissions;

(ii) Meetings to be arranged, where possible, back-to-back with other international meetings;

(iii) Need for resources to be made available for future meetings;

(c) Achievements to date:

The identification of the main problems must be seen as an achievement. But much remained to be done;

(d) Prospects for future success:

The ICP was resource-intensive. Closer links with national CPIs would open up possibilities of economies but the desired expansion of the ICP seemed certain to require more resources. Experience with harmonizing CPI methodologies within the European Union (EU) suggested that globally there was scope for considerably more effort.

11. The list of participants is contained in the appendix. The minutes of the meeting are before the Commission as a background document.

Appendix

LIST OF PARTICIPANTS

Chairman: J. Astin (Eurostat)

Secretary: D. Sellwood (Eurostat)

Organizations/bodies of the United Nations system

Statistical Division of the United Nations Secretariat	M. Csizmadia
Economic Commission for Europe	R. Fauser
International Labour Organization	R. Fokianos R. Rassou
World Bank	J. Borpujari
International Monetary Fund	P. Cotterill

Other intergovernmental organizations/bodies

Organisation for Economic Cooperation and Development	P. Scrimgeour
European Free Trade Association	T. Leppo